

1 AN ACT concerning government.

2 **Be it enacted by the People of the State of Illinois,**
3 **represented in the General Assembly:**

4 Section 5. The Illinois Administrative Procedure Act is
5 amended by changing Section 5-30 as follows:

6 (5 ILCS 100/5-30) (from Ch. 127, par. 1005-30)

7 Sec. 5-30. Regulatory flexibility. When an agency proposes
8 a new rule or an amendment to an existing rule that may have an
9 impact on small businesses, not for profit corporations, or
10 small municipalities, the agency shall do each of the
11 following:

12 (a) The agency shall consider each of the following methods
13 for reducing the impact of the rulemaking on small businesses,
14 not for profit corporations, or small municipalities. The
15 agency shall reduce the impact by utilizing one or more of the
16 following methods if it finds that the methods are legal and
17 feasible in meeting the statutory objectives that are the basis
18 of the proposed rulemaking.

19 (1) Establish less stringent compliance or reporting
20 requirements in the rule for small businesses, not for
21 profit corporations, or small municipalities.

22 (2) Establish less stringent schedules or deadlines in
23 the rule for compliance or reporting requirements for small

1 businesses, not for profit corporations, or small
2 municipalities.

3 (3) Consolidate or simplify the rule's compliance or
4 reporting requirements for small businesses, not for
5 profit corporations, or small municipalities.

6 (4) Establish performance standards to replace design
7 or operational standards in the rule for small businesses,
8 not for profit corporations, or small municipalities.

9 (5) Exempt small businesses, not for profit
10 corporations, or small municipalities from any or all
11 requirements of the rule.

12 (b) Before or during the notice period required under
13 subsection (b) of Section 5-40, the agency shall provide an
14 opportunity for small businesses, not for profit corporations,
15 or small municipalities to participate in the rulemaking
16 process. The agency shall utilize one or more of the following
17 techniques. These techniques are in addition to other
18 rulemaking requirements imposed by this Act or by any other
19 Act.

20 (1) The inclusion in any advance notice of possible
21 rulemaking of a statement that the rule may have an impact
22 on small businesses, not for profit corporations, or small
23 municipalities.

24 (2) The publication of a notice of rulemaking in
25 publications likely to be obtained by small businesses, not
26 for profit corporations, or small municipalities.

1 (3) The direct notification of interested small
2 businesses, not for profit corporations, or small
3 municipalities.

4 (4) The conduct of public hearings concerning the
5 impact of the rule on small businesses, not for profit
6 corporations, or small municipalities.

7 (5) The use of special hearing or comment procedures to
8 reduce the cost or complexity of participation in the
9 rulemaking by small businesses, not for profit
10 corporations, or small municipalities.

11 (c) Prior to the filing for publication in the Illinois
12 Register of any proposed rule or amendment that may have an
13 adverse impact on small businesses, each agency must prepare an
14 economic impact analysis. The economic impact analysis shall
15 include the following:

16 (1) an identification of the types and estimate of the
17 number of the small businesses subject to the proposed rule
18 or amendment;

19 (2) the projected reporting, recordkeeping, and other
20 administrative costs required for compliance with the
21 proposed rule or amendment, including the type of
22 professional skills necessary for preparation of the
23 report or record;

24 (3) a statement of the probable positive or negative
25 economic effect on impacted small businesses; and

26 (4) a description of any less intrusive or less costly

1 alternative methods of achieving the purpose of the
2 proposed rule or amendment. The alternatives must be
3 consistent with the stated objectives of the applicable
4 statutes and the proposed rulemaking.

5 ~~Before the notice period required under subsection (b) of~~
6 ~~Section 5-40, the Secretary of State shall provide to the~~
7 ~~Business Assistance Office of the Department of Commerce and~~
8 ~~Economic Opportunity a copy of any proposed rules or amendments~~
9 ~~accepted for publication.~~ The Business Assistance Office shall
10 prepare an impact analysis of the rule or amendment describing
11 its ~~the rule's~~ effect on small businesses whenever the Office
12 believes, in its discretion, that an analysis is warranted or
13 whenever requested to do so by 25 interested persons, an
14 association representing at least 100 interested persons, the
15 Governor, a unit of local government, or the Joint Committee on
16 Administrative Rules. The impact analysis shall be completed
17 before or within the notice period as described in subsection
18 (b) of Section 5-40. Upon completion of any ~~the~~ analysis in
19 accordance with this subsection (c), the preparing agency or
20 the Business Assistance Office shall submit the ~~this~~ analysis
21 to the Joint Committee on Administrative Rules, to any
22 interested person who requested the analysis, and, if the
23 agency prepared the analysis, to the Business Assistance Office
24 ~~agency proposing the rule. The impact analysis shall contain~~
25 ~~the following:~~

26 This subsection does not apply to rules and standards

1 described in paragraphs (1) through (5) of subsection (c) of
2 Section 1-5.

3 ~~(1) A summary of the projected reporting,~~
4 ~~recordkeeping, and other compliance requirements of the~~
5 ~~proposed rule.~~

6 ~~(2) A description of the types and an estimate of the~~
7 ~~number of small businesses to which the proposed rule will~~
8 ~~apply.~~

9 ~~(3) An estimate of the economic impact that the~~
10 ~~regulation will have on the various types of small~~
11 ~~businesses affected by the rulemaking.~~

12 ~~(4) A description or listing of alternatives to the~~
13 ~~proposed rule that would minimize the economic impact of~~
14 ~~the rule. The alternatives must be consistent with the~~
15 ~~stated objectives of the applicable statutes and~~
16 ~~regulations.~~

17 (Source: P.A. 94-793, eff. 5-19-06.)